

City of Alameda

Housing Element Amendment

Approved by the City Council
April 28, 1981
Resolution No. 9527

To Amend February 1980 Housing Element Sections:
Introduction and Summary; and Housing Goals,
Policies, Action Program

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Introduction and Summary

The Housing Element of Alameda's General Plan is a statement of local housing needs, policies and program commitments. Goals, policies and program recommendations were developed in the fall of 1979 by the Citizens' Housing Element Advisory Committee, based on a review of past and current City policies in the areas of housing and land use, on resource availability, and on assessment of housing assistance needs. In February 1980, the Housing Element, including these recommendations, was adopted by the City Council.

Changes in Housing Goals, Policies, and Action Program were recommended in January 1981 as part of the annual review of the Housing Element. No changes are recommended at this time in the Implementation Strategies and People and Housing sections, pending receipt of 1980 Census data in late 1981.

Changes made are in response to two factors that have changed the Housing Element and housing program situation in Alameda since February 1980. First, the February 1980 Housing Element was found by the California Department of Housing and Community Development to be inadequate under existing State legislation, and second, the City has received Community Development Block Grant funds conditional upon the commitment to develop housing affordable to lower income families.

The Housing Element is a State mandated element of the General Plan. State Government code Section 65302(c) requires cities to prepare a housing element which "makes adequate provision for the housing needs of all economic segments of the community." Under current regulations, (State Housing Element Guidelines, Article 1, Section 6450):

"adequate provision for the housing needs of all economic segments of the community requires each city, through its housing element, to make a good faith, diligent effort to provide opportunities—for appropriate variety and choice of housing for all economic segments of the community, consistent with its identified need—such effort must emphasize the use of those public powers which impact on housing as well as the use of State and Federal housing programs."

The California Department of Housing and Community Development in their review of the February 1980 Housing Element, finds that:

"Alameda's adopted housing element identifies adequately the City's housing needs but fails to adequately demonstrate a good faith, diligent effort to use available resources to address these identified needs."

The current amendment is designed to show the specific commitment of the City to the Housing Action Program over the next five years.

Secondly, the City has received Community Development Block Grant funds conditioned on commitment to develop housing units affordable to lower income people. Feasibility of various strategies to develop such housing is now being carefully studied and information from these feasibility studies is incorporated in the Housing Action Program in order to be as close as possible to the economic as well as the political reality. Only those strategies which appear at this time to be feasible are included in the Action Program.

The current market situation has changed the picture dramatically since the housing element was first prepared in 1975. Housing *affordability* and *displacement* of people from their neighborhoods are now front page issues. It is clear that more and more people do not have their

housing needs met by the private sector alone and that people with very low incomes are not served even by government programs.

A conservative estimate of over 5000 lower income households, mainly renters, face problems of affordability or substandard conditions. In addition, over 70% of the City's middle income families seeking homes to purchase were priced out of the market as of 1979 and no homes are being built affordable to middle income people.

At the same time that needs are increasing, programs are set in a context of limitations. Alameda, as an old island City, has very little land to develop new housing, and housing resources are diminishing on the national and state levels as well.

It is in light of the current situation that past policy statements are reviewed. Both State and Federal policy declare the provision of a decent home in a satisfying living environment for all to be a priority of the highest order. Alameda confirmed this in its 1975 "Goals for Alameda" which states as the first housing goal that:

"The quiet residential character of Alameda, with its mixed tenure housing available to people of most economic situations and all ages shall be preserved and encouraged. Alameda's primary concern should be the housing of its existing residents."

Other goals from the 1975 Housing and Physical Planning task force centered around the areas of preserving Alameda neighborhoods, the desire to stop high density development, to have more control over future development and improved communication with government. Concern was also expressed for people needing assistance with housing in the goal of providing a full range of housing services to residents of the City.

The concerns about the density have effectively been taken care of through a City ordinance implementing

Measure A, passed in 1973, which limits new construction to duplexes or single family houses. Recently adopted policies contained in the Combined Land Use Plan (CLUP) go a step further toward actually reducing densities on an attrition basis throughout the City. CLUP, now City Policy, designates the entire residential area of the City, with the exception of existing apartment development, as single family or special single family districts.

The ongoing concerns from 1975 and the issues of today have been incorporated in Housing goals and policies. The Housing Action Program is based on the current housing program and on the commitment that the City is making to pursue, with good faith and diligent effort, certain actions and strategies over the next five years.

The current housing program of the City consists of three parallel efforts: (1) assistance to lower income renters through the Section 8 existing program of the Alameda Housing Authority; (2) below market interest rehabilitation financing for lower income home owners and landlords through the City's Community Development program; and (3) the development of additional units affordable to lower income households also through the City's Community Development program.

During the 1970's, the Housing Authority replaced the 330 units of temporary housing occupied in 1970, and has increased the private rental supplement program from 225 to 378 occupied units. This Section 8 program remains the major source of aid for lower income renters in Alameda. The City's Action Program emphasizes an expanded rental assistance program to the extent made possible by increased Federal allocations to Alameda.

The rehabilitation program has assisted 12 owners to obtain below market interest loans for rehabilitation of 24 housing units in the first full year of operation. This effort is continuing with renewed funding from a Community Development Block Grant. The future of the rehabilitation

program depends on the success of the effort to develop additional housing and thus, the continuation of Community Development Block Grant funding or on developing local sources of funding for rehabilitation.

The Community Development Program staff is in the process of evaluating feasibility for developing additional affordable housing. It appears that the proposed strategy of converting commercial structures to housing is not promising at this time for economic reasons as well as because of structural design and neighborhood standards. The strategy for development of new housing on scattered sites throughout the City appears to be feasible at this time dependent on negotiations with owners and developers. Specific developable sites in residential areas have been identified. The City will make every effort to stimulate the development of housing on these sites over the next few years. Three of these sites are owned by the City, with a total potential unit capacity of approximately 70 units. Two of these three, however, are not being considered for housing development by the City. These sites are not included in the Housing Action program target objectives. Two other sizeable privately owned sites would accommodate a total of approximately 112 units, and the remaining five small sites would hold a total of approximately 12 units. Success of the housing development program is the key to continued Community Development Block Grant funding and, as such, the current key to continuation of the rehabilitation program.

The following section spells out official policies and City commitment to a five year action program in the area of housing.

Housing Goals, Policies, Action Program

This chapter contains the crux of the Housing Element in Alameda. To the reader not familiar with Alameda, the following should make clear the context for which the goals, policies and programs were developed. Alameda is an old city on an island adjacent to Oakland in the San Francisco Bay. Residential areas are developed to a relatively high density. In 1973, The City Charter was amended to limit residential construction to duplexes and single family homes. Much of the remaining buildable land is slated for expensive new housing, commercial, office and recreational uses.

The following letter was written by Mayor Corica in July 1979:

July 10, 1979

Mr. Lawrence B. Simons
Assistant Secretary for Housing
Department of Housing and
Urban Development
Washington, D.C. 20410

Dear Undersecretary Simons:

It has been a month that you stated publicly at the U. S. Conference of Mayors in Pittsburgh that you would personally look into Alameda's problem with HUD. To date I have not received any information on this matter from your office.

I personally gave you a sheet of paper which explained our position. In summary this is what it was meant to show.

1. The City of Alameda has adequately provided its share of subsidized housing in Alameda.

2. The City of Alameda, with Navy housing included, provides 10% of its total housing stock to aid those in need of housing. A figure considerably higher than any City in the country.
3. Alameda has spent \$2.5 million dollars from 1973 to 1976 of its own local funds to provide public housing for those in need. (When I asked the Assistant Secretary Bob Embry if he knew of any other city in the country that spent this amount of their own funds, he replied that he couldn't think of one.)
4. I explained to you that Alameda, being an island in San Francisco Bay, has a limited amount of lots on which to construct new low cost housing, but that we could very possibly provide the additional units through a rehabilitation program where older homes would be upgraded and used for those in need. This would achieve the dual effect of upgrading the run-down homes and provide scattered housing throughout our city.
5. The voters of our island city fully realize the fact that Alameda has one of the most dense populations in the region (we have 75,000 people living on 2.8 sq. mi. of residential land), which had a great deal to do with the rejection of a ballot measure to proceed with additional new construction of low cost housing. They are also acutely aware that we are indeed doing more than our share to provide for those in need.

These facts have been thoroughly discussed with our Area Office and your new Area Director, Mr. Henry Dishroom. They refuse to recognize or give credit for the great job we have done over the years, which leads me to state that in 1975 at the Boston Conference of Mayors, I listened with great excitement when then Secretary Carla Hills stated that the Block Grant would be given to the cities and that the local government would decide where it should be spent because they would know best their own particular problem. In 1979, at the Conference, I heard you state practically the same thing - that HUD was there to help local governments implement their own programs.

I believe HUD simply mouths statements like these, but in reality it's either do as HUD wants or get your funds cut off. I don't really believe HUD cares about local government. When local governments complain to our Area Office they are told that federal Guidelines forbid them from being flexible.

If this is indeed the case, I have a suggestion. Let's do away with the Area Office and its staff and deal directly with the Washington Office. The millions saved could be put to use in helping those in need.

The Area Office recommended to you that the City of Alameda be punished for not providing additional units of new construction by taking away their 1978 funds. You complied without asking our side of the story, and thereby eliminated our program for senior citizens and the handicapped.

I strongly feel that HUD is acting in a dictatorial and inconsiderate fashion. You are turning off the very sources that you say you are trying to help.

I do not like writing you a letter like this, but I feel that you should be made aware of information that your Area Office may not have provided you. Again, remember \$2.5 million dollars of local funding was spent building new construction which includes a 65-unit senior citizen housing project, our Esperanza public housing (120) units) and a new concept of modular homes (40 units). Alameda will break ground shortly to provide an additional 50 units of new duplex construction for families of low income.

I feel strongly that you should return the \$1,047,000 you took away from us.

Very truly yours,

Chuck Corica
Mayor

CJC:jf

cc: President Jimmy Carter
Senator Alan Cranston
Senator S. I. Hayakawa
Congressman Pete Stark
Assemblyman Elihu Harris
Henry Dishroom, Area Director

Even if the land and the intention were present to build housing affordable to middle and lower income people, market factors and the severely limited government housing resources would make it impossible for the City to provide more than minimal assistance to those needing housing assistance. Inflation in land costs, overhead and profit in particular, in the context of a strong sellers' market, erodes affordability far faster than program resources can mitigate these effects.

It is within the context of these limitations that the following goals, policies, and program actions are set.

Liveability

Rehabilitation Goals and Policies

- To conserve and rehabilitate the existing inventory of housing.
- To eliminate conditions of overcrowding.
- To correct unsafe conditions.
- To correct unsanitary conditions.

Neighborhood Goals and Policies

- To maintain and improve the physical and social integrity of existing and future neighborhoods.
- To give priority for public open space and other public improvements to neighborhoods determined to be deficient relative to the rest of the City.

Affordability

New Construction Goals and Policies

- To provide incentives in order to encourage the construction of units affordable to lower and middle income households.
- To add units to existing housing on scattered sites throughout the City and in underutilized commercial space.

Home Ownership Opportunities Goals and Policies

- To encourage opportunities for home ownership for lower and middle income renters and newly formed households.
- To promote equity in financing throughout the City.

- To allow condominium conversions in circumstances which would increase ownership opportunities for middle income people without undue tenant displacement.
- To permit condominium conversions as long as the ratio of owner-occupied units is 60% or less of the total number of dwelling units.

Renter Goals and Policies

- Permit conversions of apartments to condominiums when the developer, at the request of a tenant, finds comparable rental housing within the City before displacing tenants.

City Housing Action Program

This section contains a listing of strategies and actions that the City is committed to follow in the next five years. These actions are intended to be sensitive to local needs and priorities as well as to economic feasibility and resource availability. The effects on the program of the currently erratic housing market, the high costs of construction, land and financing, cannot be foreseen with any degree of certainty.

This local housing program consists of a three-pronged coordinated approach - rehabilitation and neighborhood preservation; assistance for would-be home purchasers and lower income renters; and a limited amount of new and replacement construction. The prime emphasis is on the maintenance and rehabilitation of, and the financial assistance with, the existing housing inventory to meet the changing needs of the City's families. An immediate effort in new construction is also a key portion of the local housing program.

Two agencies within the City are responsible for administering various aspects of the program and carrying out policy set by the City Council. The Housing

Authority administers the Section 8 rental assistance program and is currently building 42 units of replacement for senior citizens. The Community Development Department administers the Rehabilitation Office, housing counseling services, the home ownership assistance program and development of new owner and renter units. This Department also develops financing programs such as housing bond sales, creative use of public-private financing, and applies for State and Federal housing program funds.

Currently, there is a major effort to develop new rental units affordable to lower income households in order to satisfy some of the backlog of need for this income group. In addition to the 42 units of replacement public family housing and the proposed 185 units of senior citizen housing, a target goal of 79 new privately owned rental units is being packaged. Financing will be with a combination of private and public funds including Community Development Block Grant Funds.

In order for these projects to be feasible, a variety of incentives are being offered to developers such as financial assistance with land and site improvements, waiving of City project fees, the reduction of parking and open space requirements, some density increases, rapid processing of applications and below market rate financing.

In addition to Community Development funds, the use of local pension funds and of mortgage backed bonds is being explored by the Community Development Department. It is anticipated that these sources of financing will be used in the next few years for the development of additional rental units and for ownership units affordable to first time home buyers, as well as for rehabilitation and home ownership assistance programs.

The Rehabilitation Program is currently funded at the level of 15 owner and rental units per year. Expansion to 25-30 units per year is anticipated in 1980-81 with CDBG funding and other sources of local, State and Federal

financing which are being investigated and applied for as available.

Section 8 existing rental assistance program will be expanded by a target of 30 added units per year depending on success of the renewed effort to enroll more landlords in the program, and on availability of additional certificates from HUD. Landlords who need assistance with rehabilitation are referred to the Rehabilitation Office. The Section 8 promotion is part of a package of housing counseling services being coordinated by the Community Development Department.

The condominium conversion process has been revised as of July 1980 to provide for a tenant assistance package as part of the application process. This package is negotiated with the Planning Board to ensure proper procedures in notifying and working with tenants to purchase their unit or to find other housing. The process will be further strengthened by revising the ordinance to provide that developers, on request of tenants who have been duly notified of assistance, will find comparable rental housing within the City before displacing tenants.

The home ownership assistance program is aimed at first time home buyers and, in particular, at condominium tenants. State funds are being sought for this program. Additional funding is being explored from housing bonds, pension funds and private investors.

In summary, the City is committed to full use of local powers to further the Housing Action Program, and is pursuing all available public and private resources for financing.

CITY HOUSING ACTION PROGRAM AND IMPLEMENTATION FRAMEWORK 1980-1984

REHABILITATION AND NEIGHBORHOOD PRESERVATION

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1. Expand funding level of Rehabilitation Office	Rehabilitation of 25 to 30 units per year (60% owner; 40% rental)		Community Development	CDBG* Housing Bond	On-going
2. Substantial rehab of vacant units	Restore 8 rental units per year to housing market		Community Development	CDBG* Housing Bond	April 1981
3. Apply for State rehabilitation financing programs	Rehab & mortgage assistance	Make application	Community Development		July 1981
4. Utilize self-help techniques in rehabilitation	Reduce rehab costs	Program Modification	Rehabilitation Office	CDBG*	On-going
5. Replace public housing units	Construct 42 family rental units on Eagle Avenue site	Construction	Housing Authority	Housing Bonds	Commence by December 1981
6. Investigate Section 8 Moderate Rehab program	Rehab of Section 8 existing units	Apply when funds are available	Community Development		July 1981

RENTAL AND HOME OWNERSHIP ASSISTANCE

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1. Stimulate landlords to enter Section 8 program	30 additional units per year; Rehab assistance as needed	Assign staff; additional HUD allocation for Section 8	Community Development; Housing Authority	CDBG*	On-going
2. Counsel renters on housing placement	Maintain current rental listings	Assign staff	Community Development	CDBG*	On-going
3. Continuous update of HUD's Fair Market rents for Alameda			Housing Authority		On-going

- * Community Development Block Grant funds have been granted to the City for the 1980-1981 program contingent on the development of 79 new rental units. Success of this effort will determine future funding from this source. In today's market it also seems clear that local housing bonds are a key to below market interest financing and, as such, are an important element in an on-going Housing Action Program. CDBG funds, if continued, would provide stimulation for programs largely financed with a combination of public and private funds.

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
4. Study potential for conversion of rental units to limited equity cooperatives	Long term affordable ownership units	Economic feasibility, criteria and procedures for co-op conversions	Planning Department	CDBG*	Sept. 1981
5. Apply for State Home Ownership Assistance Program	Assistance for tenants of proposed condominium conversions (15 to 20 units)	Make application	City Manager's Office; Planning Department		Feb. 1981
6. Negotiate with condo-conversion developers for tenant assistance program	Ensure no undue hardship to tenants	Negotiation	Planning Board		On-going
7. Revise condo-conversion ordinance to provide that developers, on request of tenant, find comparable rental housing within the City before displacing tenants		Zoning Ordinance Revision	City Council		June 1981

NEW CONSTRUCTION

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1. Request developers for assistance with affordable housing construction	20 units per year affordable to lower and middle income households	Negotiations with developers	Planning		Sept. 1981
2. Provide incentives to builders of moderate income housing	Affordable housing (79 rentals in 1st yr; 185 rentals in 2nd yr; 5-10 rentals/yr; 10-15 owner units/yr)	Negotiations with developers	Community Development	CDBG* Housing Bond	Sept. 1980
3. Maintain inventory of vacant land	Annual update	Field survey	Community Development; Planning Dept.		On-going
4. Acquire control of land for affordable housing	Eight developable parcels with capacity for 154 units	Acquire land control	Community Development	CDBG* Housing Bond	Feb. 1981

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